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TEXT OF TELEGRAM 82STATE 120512

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PAGE 01 STATE 120512
ORIGIN RP-10

INFO OCT-00 ADS-00 AID-07 OIC-02 IO-15 NEA-07 HA-06
L-03 SR-04 /054 R

.....DRAFTED BY RP/IAR:PRLYNCH
.....APPROVED BY RP/IAR:JLHOGANSON
.....RP/CFO: NRUNKLES-
.....NEA/PAB:DPMURPHY (S
.....AID/SER/COM: RGREEN (SUBS)

-----274234 050708Z /22

.....042120Z MAY 82
.....FM SECSTATE WASHDC
.....TO AMEMBASSY ISLAMABAD
.....INFO USMISSION GENEVA

.....UNCLAS STATE 120512

.....E.O. 12065: N/A
.....TAGS: SREF, EAID, AF
.....SUBJECT: AFGHAN REFUGEE RELIEF: TRANSPORTATION
.....ASSISTANCE

.....REF: A) STATE 254486; B) ISLAMABAD 54;
.....C) ISLAMABAD 2888;

.....1. ON APRIL 22 RP SENT AND INTERNATIONAL HARVESTER
.....RECEIVED A LETTER OF COMMITMENT (TEXT FOLLOWS PARA 3)
.....FOR -240 TRUCKS FOR USE IN TRANSPORTATION OF REFUGEE
.....RELIEF COMMODITIES IN PAKISTAN. THIS IS THE EVENT WHICH
.....STARTS THE CLOCK FOR DELIVERY. ALTHOUGH THE LETTER
.....STATES THAT THE TRUCKS WILL BE AT THE U.S. PORT
.....(SEATTLE) WITHIN 90 DAYS. IT HAS BEEN VERBALLY AGREED
.....AND IS LIKELY TO BE CONFIRMED IN A FORMAL AMENDMENT THAT
.....DUE TO THE INCREASED NUMBER OF TRUCKS BEING PURCHASED
.....(THE IH BID WAS FOR 200 TRUCKS--WE HAVE ORDERED 240),
.....THE DELIVERY DATE WILL BE EXTENDED BY TWO WEEKS. THIS
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PAGE 02 STATE 120512

WILL MAKE THE TARGET DATE AUGUST-4.

2. AID/SER/COM HAS PREPARED A LIST OF PROPOSED
EQUIPMENT FOR THE REPAIR FACILITY IN PESHAWAR, WHICH WAS
POUCHED TO EMBASSY MAY 4 (REGISTRATION NR. 3074422).

EMBASSY MAY WISH TO SHARE LIST WITH GOP. WOULD
APPRECIATE EARLY RESPONSE OF GOP RE POSSIBLE
MODIFICATIONS TO LIST BEFORE PROCEEDING WITH PROCURE-

PAGE NO. 1

DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY	DATE 4/3/86
FEDERAL XDC/EXT. DATE	
IS ACCT. REASON(S)	
EXISTING MARKINGS <input type="checkbox"/>	
D. C. ASSISTED RELASABLE <input checked="" type="checkbox"/>	
E. C. ASSISTED RELASABLE <input type="checkbox"/>	
IA OR FOI EXEMPTIONS	

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MENT, AS WELL AS CONFIRMATION THAT A LOCATION HAS BEEN DESIGNATED FOR IT IN PESHAWAR.

3. THE LETTER OF COMMITMENT FOLLOWS THE FUNDING MECHANISM AS SET FORTH IN ARTICLE 3.OF THE GRANT AGREEMENT BETWEEN THE U.S. AND PAKISTAN (REF A). THERE WILL BE NO BANKS INVOLVED, EITHER IN THE U.S. OR IN PAKISTAN. AS INDICATED BELOW, UPON RECEIPT OF THE DOCUMENTS STIPULATED, THE BUREAU FOR REFUGEE PROGRAMS WILL FORWARD FUNDING TO INTERNATIONAL HARVESTER FOR THE TRUCKS.

4. BEGIN TEXT OF LETTER OF COMMITMENT.

APRIL 22, 1982

LETTER OF COMMITMENT

INTERNATIONAL HARVESTER CORPORATION
707 L STREET, N.W.
WASHINGTON, D.C. 20036

RE: LETTER OF COMMITMENT 1037-120169
-- VALUE: \$7,738,910

UNCLASSIFIED
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PAGE 03 STATE 120512

GENTLEMEN:

1. AT THE REQUEST OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN, ACTING THROUGH ITS MINISTRY OF STATES AND FRONTIER REGIONS (HEREINAFTER REFERRED TO AS THE "PURCHASER"), THE GOVERNMENT OF THE UNITED STATES, ACTING THROUGH THE DEPARTMENT OF STATE, BUREAU FOR REFUGEE PROGRAMS (HEREINAFTER REFERRED TO AS THE "BUREAU"), HEREBY GUARANTEES, SUBJECT TO COMPLIANCE WITH THE CONDITIONS SET FORTH HEREIN, TO MAKE PAYMENTS TO INTERNATIONAL HARVESTER COMPANY (HEREINAFTER REFERRED TO AS THE "SUPPLIER") IN AMOUNTS NOT TO EXCEED A TOTAL OF \$7,738,910 TO COVER THE COSTS OF THE COMMODITIES AND COMMODITY-RELATED SERVICES DESCRIBED BELOW IN PARAGRAPH 2.

2. THE COMMODITIES AND-COMMODITY-RELATED SERVICES ELIGIBLE FOR PAYMENT ARE:

(A) 240 EACH TRUCKS AS SPECIFIED IN OFFER Q21021, AS AMENDED AT A CIF UNIT PRICE OF \$27,990 AND CIF KARACHI TOTAL PRICE OF \$6,717,600.

(B) \$1,007,640 WORTH OF SPARE PARTS ON A CIF KARACHI BASIS WITH THE PARTS PRICED AT 20 DISCOUNT FROM THE

JANUARY, 1982 PRICE LIST SUBMITTED.

(C) \$13,670 WORTH OF TRAINING AS SPECIFIED IN OFFER Q21021.

IN ACCORDANCE WITH THE SUPPLIER'S MARCH 31, 1982, LETTER TO HIS EXCELLENCY IHSAN UL HAQ, ECONOMIC MINISTER AT THE EMBASSY OF PAKISTAN, EXPORT PACKING CHARGES WILL BE COVERED BY THE SUPPLIER. ALL OTHER CONDITIONS WILL BE AS LISTED IN THE SOLICITATION.

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PAGE 04 STATE 120512

ALL UNITS SUPPLIED SHALL CONFORM TO THE SPECIFICATIONS LISTED IN SUPPLIER'S QUOTE NUMBER Q21021, AS AMENDED BY ITS LETTER OF MARCH 31, 1982.

2. A PERFORMANCE GUARANTEE IN THE AMOUNT OF 10 OF THE TOTAL CONTRACT VALUE, OR \$773,891 IN FAVOR OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN, MUST BE FURNISHED TO THE PURCHASER NO LATER THAN APRIL 27, 1982. NO PAYMENT WILL BE AUTHORIZED BY THE BUREAU UNTIL NOTIFIED BY THE PURCHASER THAT THE PERFORMANCE GUARANTEE HAS BEEN RECEIVED.

4. DOCUMENTS REQUIRED FOR PAYMENT

(A) DEPARTMENT OF STATE VOUCHER--STANDARD FORM 1034 WITH THREE (3) COPIES PREPARED BY THE SUPPLIER OR BY A BANK AS ASSIGNEE OR AGENT FOR THE SUPPLIER.

(B) SUPPLIER'S INVOICE--THE ORIGINAL AND ONE (1) COPY OF THE SUPPLIER'S DETAILED INVOICE SHOWING THE FOLLOWING:

-(1) THE NAME AND ADDRESS OF THE PURCHASER AND THE IFB AND NOTICE OF AWARD NUMBER;

-(2) THE LETTER OF COMMITMENT NUMBER;

-(3) THE QUANTITY AND DESCRIPTION OF EACH ITEM SHIPPED IN SUFFICIENT DETAIL FOR READY IDENTIFICATION;

-(4) THE TOTAL GROSS SALES PRICES;

-(5) THE TOTAL NET SALES PRICE DETERMINED BY
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PAGE 05 STATE 120512

SUBTRACTING THE TRADE DISCOUNTS TO WHICH THE IMPORTER (PURCHASER) IS ENTITLED;

PAGE NO. 3

-(6) SALES PRICE FOR EACH ITEM NET OF ALL TRADE DISCOUNTS TO WHICH THE IMPORTER (PURCHASER) IS ENTITLED;

-(7) THE DELIVERY TERMS;

-(8) THE DOLLAR AMOUNT OF ANY INCIDENTAL SERVICES WHICH ARE NOT INCLUDED IN THE PRICE OF THE COMMODITY AND FOR WHICH PAYMENT IS CLAIMED; AND

-(9) TO THE EXTENT THAT THE COMMODITY INCLUDES OTHER COMMODITY-RELATED SERVICES, A DESCRIPTION OF SUCH SERVICES AND THE DOLLAR AMOUNTS ATTRIBUTABLE TO SUCH SERVICES.

ALL CERTIFICATIONS APPEARING ON THE SUPPLIERS INVOICE MUST BE SIGNED BY HAND.

(C) BILL OF LADING--TWO (2) COPIES (OR PHOTOSTATS) OF CLEAN NON-NEGOTIABLE OCEAN BILL OF LADING, SHOWING THAT THE GOODS HAVE BEEN CONSIGNED DIRECTLY TO THE PURCHASER. THE BILL OF LADING SHALL BE MARKED "ON BOARD", AND MUST EVIDENCE SHIPMENT BY U.S. FLAG CARRIER.

(D) SUPPLIERS CERTIFICATE--AN ORIGINAL AND ONE (1) COPY OF THE SUPPLIERS CERTIFICATE EXECUTED BY THE SUPPLIER OF THE COMMODITY FOR THE COST OF THE COMMODITY AND COMMODITY-RELATED SERVICES FURNISHED BY THE SUPPLIER.

(E) TRANSMITTAL LETTER--ONE (1) COPY OF FREIGHT FORWARDERS TRANSMITTAL LETTER ADDRESSED TO THE PURCHASER OR HIS AGENT NAMED IN THE CONTRACT EVIDENCING THAT AN ORIGINAL BILL OF LADING WAS FORWARDED IMMEDIATELY ON SAILING OF THE VESSEL.

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PAGE 06 STATE 120512

(F) THE FOLLOWING DOCUMENTS SHALL BE AIR-MAILED PROMPTLY TO THE AMERICAN EMBASSY, ISLAMABAD, PAKISTAN:

(1) ONE (1) COPY OF THE BILL OF LADING,

(2) ONE (1) COPY OF THE INVOICE.

A COPY OF YOUR LETTER EVIDENCING DISPATCH AS ABOVE IS REQUIRED TO BE FURNISHED TO THE BUREAU.

5. AMENDMENTS--PAYMENT HEREINUNDER IS CONTINGENT UPON WRITTEN APPROVAL BY THE BUREAU OF ANY AMENDMENT OF THE CONTRACT BEING FINANCED HEREINUNDER NEGOTIATED AFTER THE EFFECTIVE DATE OF THE CONTRACT, AND AS A CONDITION FOR RECEIVING PAYMENT HEREUNDER, THE SUPPLIER AGREES TO

PAGE NO. 4

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UNDERTAKE THE OBTAINING OF BUREAU APPROVAL. APPROVAL BY THE BUREAU WILL BE INDICATED BY ISSUANCE OF AN APPROPRIATE AMENDMENT TO THIS LETTER OF COMMITMENT.

6. ASSIGNMENT--FUNDS DUE OR TO BECOME DUE FROM THE BUREAU UNDER THIS LETTER OF COMMITMENT MAY BE ASSIGNED ONLY IN ACCORDANCE WITH THE PROVISIONS OF THE ASSIGNMENT OF CLAIMS ACT OF 1940 (31 U.S.C. S203; 41 U.S.C. S15).

7. TERMINAL SHIPPING AND EXPIRATION DATE--DOCUMENTS SUBMITTED FOR PAYMENT HEREINUNDER MUST EVIDENCE SHIPMENT NOT LATER THAN JULY 21, 1982 AND MUST BE PRESENTED TO THE BUREAU AT THE ADDRESS SPECIFIED IN PARAGRAPH 8 BELOW NOT LATER THAN AUGUST 31, 1982.

8. COMMUNICATION WITH THE BUREAU--ALL COMMUNICATIONS REGARDING THIS LETTER OF COMMITMENT SHALL BE ADDRESSED UNCLASSIFIED UNCLASSIFIED

PAGE 07 STATE 120512

TO:

CHIEF, FINANCIAL MANAGEMENT OPERATIONS DIVISION
BUREAU FOR REFUGEE PROGRAMS (RP/CFO)
ROOM 500; SA-2
DEPARTMENT OF STATE
WASHINGTON, D.C. 20520.

9. ACCEPTANCE--THIS LETTER OF COMMITMENT SHALL BECOME EFFECTIVE UPON YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS SET FORTH ABOVE, WHICH ACCEPTANCE SHALL BE INDICATED BY YOUR SIGNING AND RETURNING TWO (2) ENCLOSED COPIES HEREOF TO THE ADDRESS INDICATED IN PARAGRAPH 8 ABOVE.

SINCERELY YOURS, NORMAN W. RUNKLES, COMPTROLLER, BUREAU FOR REFUGEE PROGRAMS, DEPARTMENT OF STATE.

UNDER THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

(COSIGNED BY) NAME OF SUPPLIER (INTERNATIONAL HARVESTER), ACCEPTANCE (MILTON SIMANTEL), DATE (APRIL 22, 1982). END TEXT.

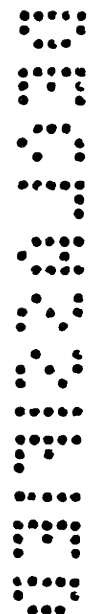
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